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March 2, 2000

Mrs. Magalie Roman-Salas  
Office of Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
TW-A325  
Washington, DC 20554

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Re: In the Matter of SBC Request for Interpretation Waiver, or Modification of  
The SBC/Ameritech Merger Conditions, FCC Docket No. 98-141

Dear Mrs. Roman-Salas:

Please find enclosed for filing Alcatel USA's Comment in the above referenced matter.

Sincerely yours,

James J. Gunther, Jr.  
Regulatory Affairs Manager

Cc: Mr. David Owen  
International Transcription Services, Inc.  
Ms. Janice Myles  
Mr. Anthony Dale  
Ms. Debbi Byrd

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| In the Matter of                | ) |                      |
|                                 | ) |                      |
| SBC Request for Interpretation, | ) | CC Docket No. 98-141 |
| Waiver, or Modification of the  | ) | ASD File No. 99-49   |
| SBC/Ameritech Merger Conditions | ) |                      |

**COMMENT**

***Background***

On February 15, 2000, SBC Communications ("SBC"), filed a request for action with the Federal Communications Commission's ("FCC") office of the Common Carrier Bureau ("Bureau") seeking the Bureau's expedited interpretation regarding an SBC proposed ownership arrangement of certain telecommunications equipment. In the alternative, SBC requests a modification of certain *Merger Conditions* or an indefinite extension of application of certain *Merger Conditions*. The request involves a combination of certain equipment, namely Plugs/Cards and an Optical Concentration Device ("OCD"). Both pieces of equipment support deployment of advanced services.

In October 1999, the FCC approved, subject to *Merger Conditions*, the transfer of control of certain licenses and authorizations from Ameritech Corporation to SBC. Pursuant to the *Merger Conditions*, SBC must establish one or more separate affiliates to provide advanced services, including Digital Subscriber Line ("DSL"). After November 8, 1999, SBC's Advanced Services Affiliate(s) must, *inter alia*, own (or lease) and operate all new advanced services equipment used to provide advanced services.

In October 1999, following the FCC's Merger Order ("Order"), SBC announced its Project Pronto, a plan to bring high-speed voice, data, and video services to approximately 80% of its customers, within three years. SBC, through its Project Pronto and its line sharing agreements with other competitive local exchange carriers ("Competitive LEC's"), expects to promote the rapid deployment of advanced services and bring competition to the high-speed Internet access market.

Alcatel USA builds next generation networks, delivering integrated end-to-end voice and data communications solutions to incumbent local exchange carriers ("Incumbent LECs") and competitive LECs, as well as enterprises and consumers worldwide. Alcatel USA is a leading supplier of high speed access telecommunications equipment across markets, including Alcatel's Litespan<sup>(CR)</sup> -- 2000/2012 next generation digital loop carrier systems ("DLC") -- and Alcatel's A1000 ADSL -- digital subscriber line access multiplexers ("DSLAM"). Accordingly, Alcatel USA is well qualified to objectively address several of the points raised by SBC in their recent request for action.

## ***Issue***

These comments are presented in support of SBC's letter request to the FCC. Therein, SBC proposes that its incumbent LEC own the Plugs/Cards and OCDs, providing non-discriminatory use by others.

In support of its proposition, SBC notes that:

- 1) there are space resource issues and economic factors that favor sharing DLC remote terminal ("RT") equipment, and;
- 2) that an OCD is necessary in the central office ("CO") to allow the facilities derived by the DLC systems to be used by different service providers.

Alcatel USA agrees with both points.

As noted above, Alcatel USA is a leading supplier of DLC and DSLAM equipment to SBC, other incumbent LECs and competitive LECs. DLC systems are typically deployed as feeder relief<sup>1</sup> alternatives to copper loops for multiple telecommunications services, including voice or plain old telephone service ("POTS"), ISDN and DSL, as well as other "special services." DLCs can also extend the reach of ISDN and DSL services in advance of feeder relief for POTS, while, DSLAMs are used exclusively to support DSL services, both from COs and remote locations.

## ***Digital Loop Carriers (DLCs) v. Digital Subscriber Line Access Multiplexers (DSLAMs)***

The service provider's decision to deploy DLCs versus DSLAMs is dependent on its business plans, prevailing economics, finite space resources, rights-of-way and accessible wiring arrangements.

Generally speaking, DSLAMs are deployed where an individual service operator (or Data Competitive LEC) is only providing DSL services and when there exists sufficient service demand to justify the expenditure for this equipment.

Whereas, DLCs are deployed where there are multiple service requirements (i.e. voice and data) or where the DSL demand for any one provider is not sufficient to justify the service provider's expenditure for individual DSLAMs.

Incidentally, there are simultaneous deployment applications where both solutions are appropriate. For example, a dual configuration could exist where a DLC is deployed for multiple services, including DSL, along with DSLAMs for service providers with

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<sup>1</sup> Feeder relief is the practice of utilizing the existing copper facilities in the outside plant network to carry more traffic by changing the equipment on both ends of the copper facility and increasing the speed at which information is transmitted over the facility.

sufficient DSL service demand. In light of economic driven considerations, SBC's proposal for the shared use of DLC facilities would further open the market by lowering the required investment to service providers who might not otherwise deploy DSL services at remote locations because of the soft demand.

A separate voice network and an overlay data network may be appealing from the point of view of separating the regulated voice network from an unregulated data network, but it compromises one of the most important advantages of a multi-service access network, that is the resulting lower overall network costs to the consumer. The Litespan DLC architecture shares the common costs of providing TDM voice and packet data, thereby reducing overall costs through out its network elements. For example, the plug-in cards are built to provide an equal number of POTS and ADSL circuits on a single combo board. The power, DSPs , mechanicals, etc. are shared and, therefore, ultimately contribute greatly toward reduced costs to the consumer. Besides equipment costs, integrated systems contribute greatly in reducing the recurring operational costs by virtue of a single element and network management back-office systems for both voice and data services. Again, this cost efficiency is to the ultimate benefit of the consumer.

### ***Space and Wiring Arrangements***

SBC's proposal also supports DSL delivery by service providers who would normally deploy their own DSLAMs in cases where there is insufficient space or inadequate wiring arrangements.

SBC appropriately points out that space is a limited resource and must be considered, especially in the case of RT cabinets. As noted in SBC's request, these modestly sized cabinets are typically filled to their ultimate capacity with equipment shelves upon initial installation. Furthermore, SBC duly notes the inefficiency of the obtrusive, "picket fence" effect where several different providers install their own cabinets.

In addition to physical space limitations, other factors need to be considered. RT cabinets are designed with thermal dissipation and powering limits. These cabinets are not equipped with air conditioning and, therefore, the thermal dissipation and powering limits established during original design may be adversely affected by the placement of additional equipment within the cabinet, which were not considered in the original design process. There must also be strict adherence to the FCC's Electro Magnetic Interference (EMI) requirements. These limits cannot be exceeded without jeopardizing the normal functionality of both the new and existing equipment, which supports lifeline POTS service. Clearly, there is an increased risk of service failure. These limits, along with the space limitations, must be evaluated on a case-by-case basis.

### ***Interconnection***

An additional concern related to Controlled Environmental Vaults ("CEV"), hut installations and equipment cabinets, is the feasibility of interconnecting DSL lines from

a competitive LEC's DSLAMs to individual feeder pairs originating at the RTs. The FCC appeared to address this issue in the Unbundled Network Elements Remand Order (FCC 99-238), noting in its Executive Summary and elsewhere that it considers feeder distribution interfaces to be accessible points for sub-loop unbundling, including those located in RTs. However, the rules in Appendix C of the UNE Order include RTs as accessible points, distinct from feeder distribution interfaces, implying that presence of the latter is not a condition for accessibility.

Whether or not the FCC intended RTs to be considered accessible points only if they contain feeder distribution interfaces, very few RTs actually have them. The feeder pairs are spliced directly to protector block stubs, typically in 25-pair binder group increments, which are, in turn, "hard-wired" to the equipment shelves. DSL lines integrated into the digital loop carrier system use the existing, hard-wired connections. POTS + ADSL ("Asymmetrical DSL") combination cards also support line sharing.

In light of space and interconnection restraints, Alcatel USA believes the majority of the existing DLC RTs will not be accessible points for multiple service providers. Indeed, a limited number of customers served by these terminals could only be served by competitive LEC DSLAMs. This holds true, even if they are installed in adjacent cabinets. Manifestly, SBC's proposals would expand access for all competitive LECs to all customers served by DLCs with integrated DSL.

Given the advantages of sharing facilities served by DLC systems, the issue then becomes one of providing a way to interconnect the facilities with multiple service providers in the CO. This is similar to providing access to individual cable pairs terminated on a main distributing frame, but there is no Main Distribution Frame (location operator uses to physically cross connect the wires from equipment to outbound cables) appearance for the DSL lines served by the DLC systems. The lines are typically aggregated onto higher speed transport between the remote terminal and the CO, and the CO terminals (if they exist at all), are not designed to disaggregate the lines served by the same transport interface (e.g., OC-3 or DS3) for use by other service providers.

### ***Optical Concentration Device (OCD)***


SBC's proposal for ownership of an Optical Concentration Device (OCD) makes it possible to hand-off individual DSL facilities from multiple DLC systems to multiple service providers. Although it can also combine traffic efficiently, it basically provides a cross-connect function. This is essential for interconnection access to the shared facilities.

### ***Conclusion***

In light of the difficulties raised in SBC's request for action and for the foregoing reasons, Alcatel USA agrees with SBC's recommendation that it's incumbent LEC own the Plug/Cards and OCDs, providing nondiscriminatory use to other carriers.

Alcatel USA would be pleased to provide additional information or to accept an invitation to appear before the FCC to make a presentation in support of this comment. If there are any questions, please contact Jim Gunther, Alcatel USA regulatory affairs manager at (202) 715-3709 or Darrell Mansur, Alcatel USA senior marketing manager at (707) 792-5713.

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By:   
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#### Certificate of Service

This is to certify that one (1) original and four (4) true and accurate copies of the foregoing was hand delivered this 2<sup>nd</sup> day of March, 2000 to the Office of the Secretary, Magalie Roman Salas, Federal Communications Commission, 445 Twelfth Street, SW, TW-A325, Washington, DC 20554 and to the following parties:

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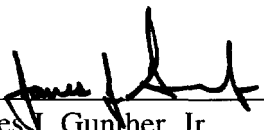
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